

mestiere [cinema]

ITALIAN TAX CREDIT

FOR

FEATURE FILMS - TV & WEB MOVIES & SERIES

1. WHAT IS IT

**THE TAX CREDIT IS AN ITALIAN
INCENTIVE INTRODUCED IN 2008.**

**IT APPLIES TO ALL
AUDIOVISUAL PRODUCTIONS:
FEATURE FILMS,
TV MOVIES, TV & WEB SERIES, TV
DRAMAS**

**THE ITALIAN TAX CREDIT ALLOWS A
SAVING OF **30%** ON ELIGIBLE
PRODUCTION COSTS**

2. DEFINITIONS

FOREIGN FILM PRODUCTION



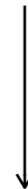
PRODUCTION WHICH HAS
NOT RECEIVED AN
ITALIAN NATIONALITY
ASSESSMENT

BENEFICIARY



ITALIAN EXECUTIVE PRODUCER/
PRODUCTION SERVICE COMPANY
TAXABLE IN ITALY, AND ABLE TO
OFFSET TAX DEBTS. THE ITALIAN
PRODUCER MUST BE REGISTERED IN
THE FILM INDUSTRY LISTS
ESTABLISHED AND KEPT BY THE
DIRECTORATE-GENERAL FOR
CINEMA, ON COMMISSION BY
FOREIGN PRODUCTION COMPANIES

FOREIGN FILM PRODUCTION COMPANY



COMPANY WHICH DOES
NOT HAVE A REGISTERED
OFFICE, FISCAL DOMICILE
OR PERMANENT
ESTABLISHMENT IN ITALY
AND DOES NOT HAVE
TAXABLE INCOME IN ITALY

3. HOW TO GET IT

TAX CREDIT PRELIMINARY APPLICATION TO THE ITALIAN MINISTRY OF CULTURE (“MIBAC”)

SUCH APPLICATION IS TO BE SUBMITTED BY THE ITALIAN PRODUCER (AND COUNTERSIGNED BY THE FOREIGN PRODUCER). THE ACTUAL USE OF THE TAX CREDIT IS CONDITIONAL UPON THIS APPLICATION

CULTURAL ELIGIBILITY TEST

THE TEST IS PART OF THE PRELIMINARY APPLICATION. MIBAC SHALL CONFIRM IF THE WORK IS ELIGIBLE OR NOT WITHIN **30** DAYS FOLLOWING THE DATE OF SUBMISSION OF THE PRELIMINARY APPLICATION

TAX CREDIT FINAL APPLICATION TO MIBAC

SUCH APPLICATION MUST BE SUBMITTED BY THE ITALIAN PRODUCER (AND COUNTERSIGNED BY THE FOREIGN PRODUCER) TOGETHER WITH A DESCRIPTION OF THE COSTS INCURRED BY THE ITALIAN PRODUCER CERTIFIED BY AN INDEPENDENT CHARTERED ACCOUNTANT

TAX CREDIT FINAL AMOUNT

MIBAC SHALL CONFIRM THE FINAL AMOUNT OF THE TAX CREDIT ACCRUED BY THE ELIGIBLE COSTS WITHIN **60** DAYS FOLLOWING THE DATE OF SUBMISSION OF THE FINAL APPLICATION

4. HOW IT WORKS

THE TAX CREDIT MONTHLY OFFSETTING

THE ITALIAN PRODUCER CAN BE USE THE TAX CREDIT TO OFFSET TAX DEBTS, INCLUDING:

- VAT
- CORPORATE INCOME TAX (IRES)
- REGIONAL INCOME TAX (IRAP)
- SOCIAL CONTRIBUTION/FRINGES
- TAXES WITHHELD ON LABOUR COST (IRPEF)

ONCE THE ITALIAN PRODUCER HAS BEEN NOTIFIED BY MIBAC THAT THE FILM HAS PASSED THE CULTURAL ELIGIBILITY TEST, THE TAX CREDIT CAN BE OFFSET ON A MONTHLY BASIS, ON THE CONDITION THAT EXPENSES ARE ACCRUED AND PAID BEFORE THE END OF THE MONTH PREVIOUS TO THE COMPENSATION

5. TAX CREDIT PERCENTAGE

30%

**OF THE ELIGIBLE COSTS PAID BY THE ITALIAN PRODUCER
FOR EACH WORK**



PRODUCTION EXPENSES ON
ITALIAN TERRITORY, NOT
EXCEEDING THE **75%** OF THE
TOTAL FILM BUDGET, INCLUDING
PRE AND POST - PRODUCTION
COSTS



ANY EXPENSES INCURRED IN
ANOTHER EU COUNTRY ARE TO
BE TREATED AS EXPENSES
INCURRED IN ITALY UP TO A
MAXIMUM OF **ONE-SIXTH** OF
THE **75%** OF THE TOTAL FILM
BUDGET



UP TO A MAXIMUM AMOUNT OF €
20M PER YEAR PER COMPANY

6. ELIGIBLE COSTS

ANY PRODUCTION EXPENSES INCURRED AND PAID
BY THE ITALIAN PRODUCER

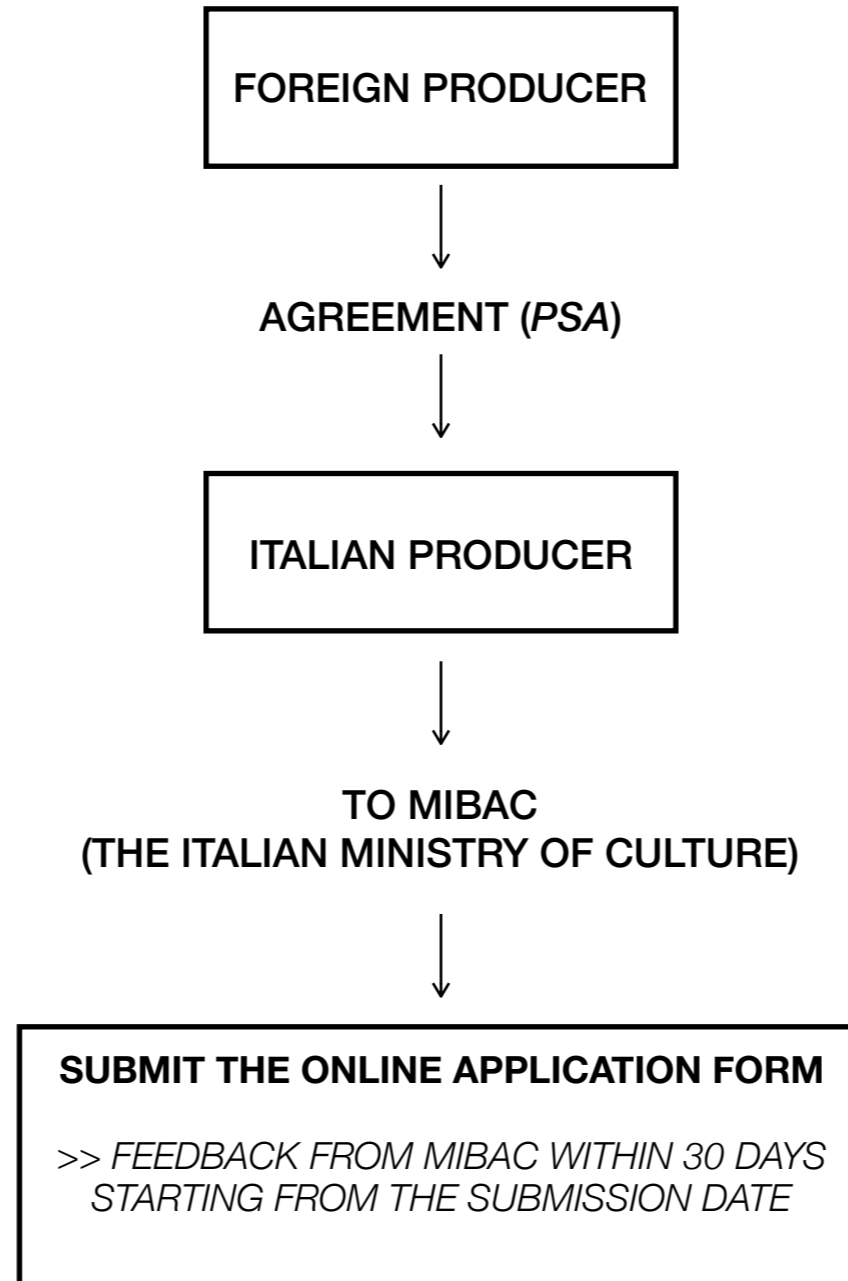
PROVIDED THAT

FINANCIAL, INSURANCE, WARRANTY
AND OVERHEADS EXPENSES ARE TAKEN
INTO ACCOUNT UP TO A MAXIMUM OF
THE **7,5%** OF THE PRODUCTION COST

ABOVE THE LINE COSTS ARE TAKEN
INTO ACCOUNT UP TO A MAXIMUM OF
30% OF THE PRODUCTION COSTS

THE PRODUCER FEE IS NOT AN ELIGIBLE COST

7. ADMINISTRATIVE PROCEDURE PRELIMINARY APPLICATION



7A. ADMINISTRATIVE PROCEDURE HOW TO APPLY

THE APPLICATION FORM INCLUDES

THE COMPLIANCE OF CULTURAL
ELIGIBILITY REQUIREMENTS' TEST
ACCORDING TO THE ESTABLISHED
INDICATORS

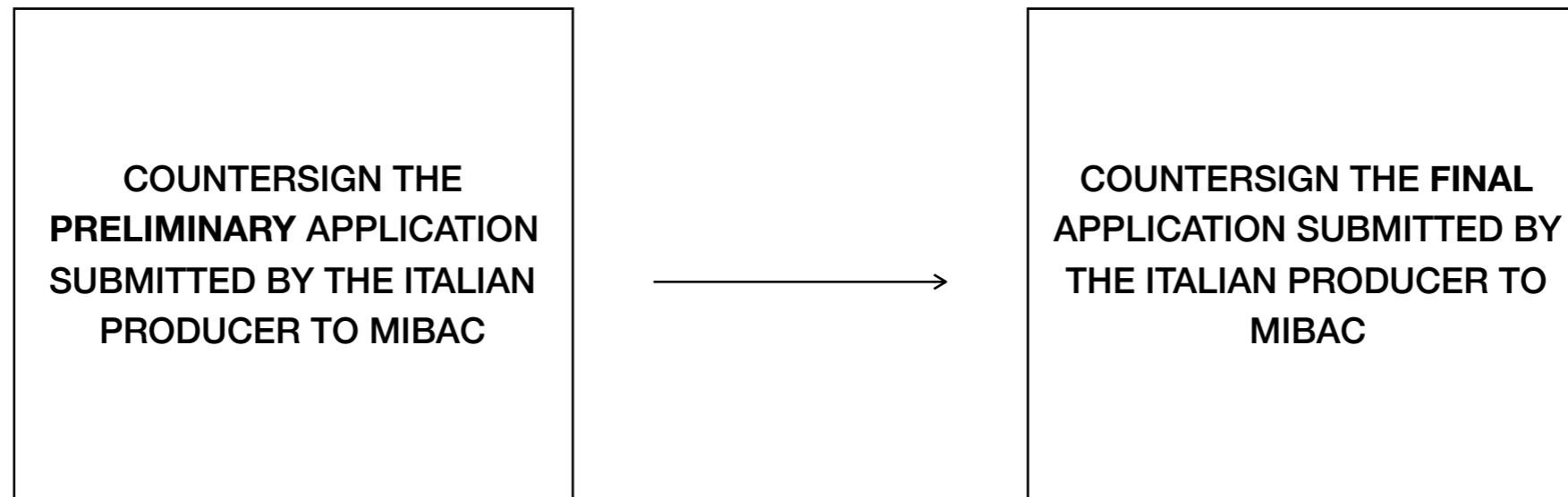
FILM TOTAL BUDGET AMOUNT,
ITALIAN BUDGET, SCRIPT,
SCHEDULE, SPECIFYING THE
TOTAL OF SHOOTING DAYS ON
ITALIAN TERRITORY OR IN
ANOTHER EU COUNTRY, CAST AND
CREW LIST

OFFICIAL STATEMENT BY THE
FOREIGN PRODUCER THAT THE
FILM IS INTENDED PRIMARILY FOR
THEATRICAL RELEASE OR FOR TV
OR WEB BROADCAST

WITHIN 30 DAYS FROM THE DATE OF RECEIPT OF THE APPLICATION, MIBAC NOTIFIES TO THE ITALIAN PRODUCER
WITH REGISTERED LETTER THE ASSESSMENT CONCERNING THE CULTURAL ELIGIBILITY

7B. ADMINISTRATIVE PROCEDURE

FOREIGN PRODUCTION COMPANY MUST



7c. ADMINISTRATIVE PROCEDURE FINAL APPLICATION

APPLICANTS MUST SUBMIT TO MIBAC THE PRESCRIBED FORMS, SIGNED ALSO BY THE FOREIGN PRODUCER, WITHIN 180 DAYS FROM THE END OF THE ITALIAN PRODUCER ACTIVITIES.

ON THE APPLICATION THE FOLLOWING MUST BE SPECIFIED:

1

OVERALL FILM PRODUCTION COSTS, WITH A CERTIFICATION OF ACTUAL EXPENSES ACCRUED,
ENACTED BY A CERTIFIED AUDITOR

2

THE ENTIRE AMOUNT OF THE PRODUCTION COSTS ON ITALIAN TERRITORY,
AS WELL AS OTHER EXPENSES IN OTHER EU COUNTRIES

3

THE AMOUNT OF THE TAX CREDIT TO BE GRANTED TO THE ITALIAN PRODUCER SPECIFYING THE AMOUNT OF TAX
CREDIT ALREADY USED, AS WELL AS THE MONTH IN WHICH ENTITLEMENT TO TAX CREDIT FIRST AROSE

**THE TAX CREDIT BENEFITS ARE ASSIGNED AFTER AN EVALUATION BY MIBAC OF THE FULFILLMENT OF THE SUBJECTIVE,
OBJECTIVE AND FORMAL REQUIREMENTS WITHIN 60 DAYS FROM THE DATE OF RECEIPT OF THE FINAL APPLICATION**

8. CULTURAL ELIGIBILITY REQUIREMENTS

To OBTAIN the CULTURAL ELIGIBILITY OBLIGATORY QUALIFICATION
the FILM MUST SCORE a MINIMUM OF 50 POINTS out of 100 POINTS among BLOCKS A and B
WITH A MINIMUM SCORE OF 35 POINTS in BLOCK A

BLOCK A CONTENTS

- **A.1** - Subject/Script of the film/audiovisual work, based on an Italian or European novel or theatre piece book published **5 pts**
- **A.2** Subject/Script of the film/audiovisual work, based on historical, mythological or legendary, religious, social, fantastic, artistic or cultural THEMES **30 pts**
- **A.3** Subject/Script of the film/audiovisual work, based on historical, mythological or legendary, religious, social, fantastic, artistic or cultural CHARACTER/PERSON **25 pts**
- **A.4.1** If the subject is SET (not SHOT) in Italy or in Europe for at least 15% of the Script Scenes / **A.4.2**. If the subject is SHOT in EXTERIOR in Italy for at least 15% of the Script Scenes **5 pts**
- **A.5** Direct Sound Recording totally or mostly in Italian language, including linguistic minority dialects: minimum of 30% of the Script scenes. As alternative, the film should be subtitled or dubbed in Italian **5 pts**

8A. CULTURAL ELIGIBILITY REQUIREMENTS

BLOCK B PRODUCTION

- **B.1** If a CREATIVE TALENT listed among the following positions -PRODUCTION DESIGNER, SET DRESSER, ART DIRECTOR, KEY M/UP Artist, COSTUME DESIGNER, DoP, LINE PRODUCER, EDITOR- is citizen of Italy or SEE (Economic European Space) **3 pts**
- **B.2** Shooting on Stage/Studio in Italy a minimum of 20% of the SCRIPT INTERIOR SCENES shot in Italy Studios/Stages **5 pts**
- **B.3** Digital Effects in Italy **4 pts**
- **B.4** Special Effects in Italy **4 pts**
- **B.5** Music Recording in Italy **3 pts**
- **B.6** Sound editing and mix in Italy **3 pts**
- **B.7** Post-Production Lab work in Italy **5 pts**
- **B.8** Final Editing in Italy **3 pts**

9. EXPENSES ON ITALIAN OR EU TERRITORY

TWO CASES

→ FILM 1 TOTAL BUDGET: € 10 M



→ FILM 1 TOTAL BUDGET: € 10 M



**THE ITALIAN TAX CREDIT IS ONE OF THE VERY FEW INCENTIVES
THAT ALLOWS ACTUAL SAVINGS DURING PRODUCTION**

**THE TAX CREDIT CAN ALSO BE HANDED OVER BY THE ITALIAN PRODUCER TO BANKS
AND THIS CAN SPEED UP THE RESIDUAL CREDIT RETURN PROCEDURE TO THE
FOREIGN PRODUCER**

mestiere [cinema]

Mestiere Cinema srl

Cannaregio 3597
30121 Venice - IT
T. +39 041 715658
F. +39 041 5231741
info@mestierecinema.it

Guido Cerasuolo

Producer
guido@mestierecinema.it
M. +39 335 120 2120

Enrico Ballarin

Producer
enrico@mestierecinema.it
M. +39 335 120 2119

Simonetta di Fresco

Production Manager
simonetta@mestierecinema.it
M. +39 337 509 497